




Mergers, Acquisitions & Divestitures:

Drive Focused Growth, Avoid
Technical Debt & Cut Complexity

A guide to change & modernization



Change is an unavoidable part of enterprise technology systems — in most organizations you'll find a long history of decisions that shifted the infrastructure to meet new business demands. As a result of all the change, you'll also find complexity and technical debt.

If an enterprise can accumulate tech debt so readily by itself, add mergers and acquisitions (M&As) and divestitures — and tech debt becomes an implicit part of the deal. Every business is unique, with different technology systems, processes and cultures that need to be integrated or separated. During change, shortcuts, compromises or limited solutions often lead to innovation hurdles and even more tech debt. And while good tech debt can be accrued deliberately (with a strategy to pay it back), business leaders are often shocked by the extent of tech debt lurking in their environment, where it has accumulated and what it has costed the organization on its growth path.

In this guide, we'll cover the most common pitfalls of M&A and change activity, key considerations and how to bring more focus to your integration or separation initiatives.

Ensure a broader understanding of technology synergies.

Every business has a unique technology infrastructure, with each ecosystem integrating in its own way to align with requirements and goals over time.

During M&As and divestitures, it's common to overlook or misunderstand the technology synergies between the companies involved. This can be due to limited visibility into the technology landscape, differences in technology architecture or a lack of communication between IT teams during the change. When organizations fail to integrate systems properly or consolidate data, they may:

- End up with multiple systems that are redundant or incompatible, leading to increased maintenance costs and complexity.
- Expose security gaps and compliance risks.
- Create operational inefficiencies.
- Miss opportunities to optimize technology investments, leading to ineffective operations.
- Fail to identify critical assets and processes, such as patents, networks, clouds and renewals. The most critical technology assets that are commonly overlooked include networks, domain names, source code, security boundaries and clouds.
- Accrue more tech debt, making it difficult to unlock innovation and compete in the market.

To prevent these pitfalls, businesses should prioritize technology integration and consolidation as part of their M&A and divestiture strategies. Successful organizations will often conduct a comprehensive technology assessment for an objective lay of the land, then develop a clear integration plan that addresses all aspects of technology, including hardware, software, data and security.

Strategic device management: A key factor in successful M&As and divestitures

M&As and divestitures can have a significant impact on device lifecycle management. If companies are not strategic about their changes, they can introduce bad tech debt into the environment, preventing them from building a modern workplace and unlocking new capabilities.

For example, companies need to consider the end of life of their devices during an M&A or divestiture and ensure that their data is secure and properly disposed of. Additionally, they should explore opportunities to reuse, sell or dispose of their devices to maximize their value and earn sustainability credits.

Failure to consider these factors can lead to a buildup of outdated devices, security risks and missed opportunities for cost savings and sustainability. Therefore, it is essential for companies to think more critically about device lifecycle management and incorporate it into their overall modern workplace strategy during change and growth initiatives.

Don't neglect culture, people and process.

Failing to integrate teams properly or align business processes not only diminishes morale — it can also lead to inefficiencies like duplicated or incompatible workflows, which hike up maintenance costs and complexity. It's also common for enterprises undergoing significant growth and change to face talent attrition, which can lead to a loss of institutional knowledge and decreased productivity.

During M&A activity, organizations often neglect culture, people and business processes. There may be:



Differences in the platforms people use to do their jobs



A lack of guidance in how employees should communicate



Broader cultural differences between the companies involved

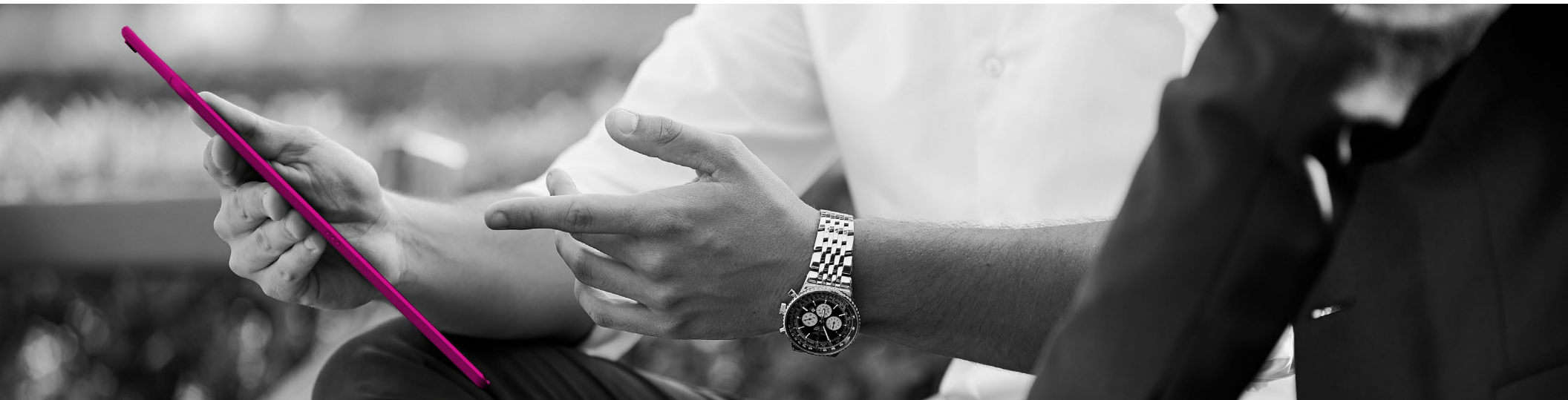


Disparities in management and decision-making styles

As with any successful M&A plan, success starts with assessment and evaluation across all aspects of business culture, including the preferred processes of employees. This can include everything from leadership styles to communication platforms, HR and employee engagement. Prioritizing culture, people and business processes ensures a successful and sustainable integration that benefits all stakeholders involved.

Remember: People are your impact factor.

Companies should identify critical individuals before M&A activity. While it may not be required for these critical teammates to stay on long term, it is critical to identify them and retain them through transition. Often, the individuals that make the organization work leave early in the process before the M&A is complete. Smaller organizations may have jacks-of-all-trades that keep the ship running smoothly. When they leave, this impacts the transition greatly, and the acquiring organization never even knows what changed.



SPOTLIGHT ON:

Organizational Change Management (OCM)

When changes are made without considering the impact on employees, it can lead to resistance, confusion and errors that can create and worsen technical debt. OCM is a structured approach to managing the people side of change in an organization. It helps minimize risks by involving employees in the change process, providing them with the tools and resources they need to adapt to change and ensuring that they understand the reasons for the change and how it will benefit them. It involves identifying potential risks and challenges associated with change, creating a plan to address these risks and implementing strategies to support employees through the change process.

The benefits of OCM include:



Minimizing resistance to change:

OCM helps to identify potential sources of resistance to change and provides strategies to address them. This can help to minimize the negative impact of change on employees and the organization.



Accelerating adoption of change:

By providing employees with the tools and resources they need to adapt to change, OCM can help to accelerate the adoption of new processes, technologies and ways of working.



Reducing the impact of change on productivity:

OCM can help to minimize the disruption caused by change and ensure that employees remain productive during the transition.



Improving employee engagement:

By involving employees in the change process and providing them with the support they need, OCM can help to improve employee engagement and satisfaction.



Achieving better business results:

By successfully managing change, organizations can achieve better business results, such as increased efficiency, productivity and profitability.

Migrate with due diligence and focus on systems — not only applications.

Focusing on applications instead of systems can lead to a lack of understanding of how the applications are integrated and how they interact with other systems. The result: issues with integrity, poor system performance and increased maintenance costs.

Additionally, if applications are not properly integrated or separated, it can create inconsistencies in business processes and data, leading to confusion and errors. It is essential for organizations to conduct a comprehensive assessment of their technology systems and develop a clear integration plan that addresses all aspects of technology, including hardware, software, data and security. This approach will help businesses minimize the risk of technical debt and ensure a successful and sustainable integration or separation.

The power of visibility: Discovery engines

Understanding what your organization has and how IT assets interact and perform across IT environments is critical.

Discovery engines like Insight's proprietary engine, SnapStart, provide comprehensive maps and information that help drive informed decisions about migrations, modernization, decommissioning and consolidation. SnapStart features include:



Scans 10–20X faster than other discovery engines



Provides reports of cloud-ready applications



Identifies all IT assets, dependencies, counts, requirements and criticalities



Does not require off-siting — all data remains local

[Learn more →](#)

Support your business-critical applications through change.

The process of integrating or separating technology systems can be complex and time-consuming, requiring significant resources and expertise. While financial or legal considerations are an important part of a transition plan, neglecting the importance of maintaining application functionality can lead to a range of problems. This can include downtime, data loss, decreased productivity and inconsistencies in business processes and data.

Ultimately, failing to support business-critical applications during times of change can have significant negative impacts on an organization's operations and bottom line. It can also create tech debt, reducing the efficiency and effectiveness of important business processes, forcing manual workarounds and leaving opportunities for growth and innovation in the dark.

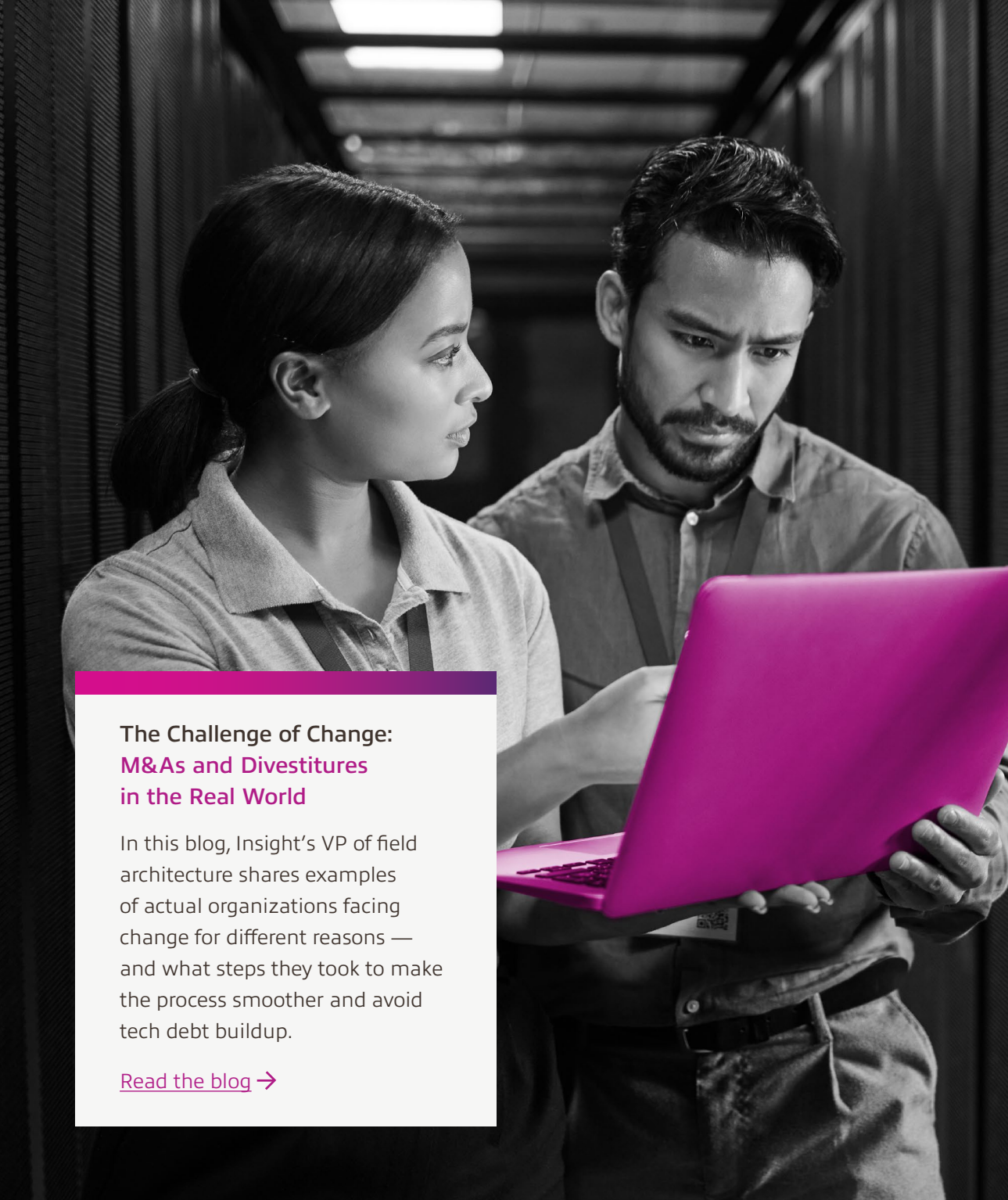


A deeper dive on tech debt

In this guide, we unpack strategies and key considerations for remediating tech debt — from cybersecurity to cloud.

[Get the guide →](#)





Consider the impact of cloud/data center on compliance, security and BC/DR.

Businesses should prioritize the integration or separation of the data center as part of their growth and change plans. The data center is a critical component of an organization's technology infrastructure — it houses the servers, storage devices and networking equipment that support critical operations.

It's important to factor the impact of cloud and your data center into your M&A or divestiture activity. Without proper integration or separation, compliance gaps or redundancies are more likely, exposing the business to regulatory risks. If the cloud/data center environment isn't properly secured, it can leave the business vulnerable to cyberthreats, data breaches and other security risks. And without a plan for ongoing maintenance and optimization, your existing or new environment can compromise the organization's ability to recover from disaster or disruption.

The cost of neglecting cloud can be significant — including financial penalties for noncompliance, reputational damage from security breaches and lost revenue from disruptions to operations.

The Challenge of Change: M&As and Divestitures in the Real World

In this blog, Insight's VP of field architecture shares examples of actual organizations facing change for different reasons — and what steps they took to make the process smoother and avoid tech debt buildup.

[Read the blog →](#)

THE QUESTION OF SECURITY:

6 bases to cover

Integrating or separating security environments can be a complex, high-stakes transition. Here are six key elements of a transition plan that minimizes risk of data loss:



Comprehensive security assessment to pinpoint all existing security tool sets, risks and vulnerabilities



Clearly defined steps to ensure data protection throughout the transition, including security and monitoring tools (firewalls, intrusion detection systems, data loss prevention tools, regular security audits and vulnerability assessments)



Contingency plans for managing any potential security incidents or breaches (business continuity, disaster recovery, etc.)



Communication and collaboration across business lines — including IT teams, security teams, legal and other key stakeholders



Employee training on security best practices before, during and after transitioning



Understanding of compliance and regulations, and potential changes as part of the transition



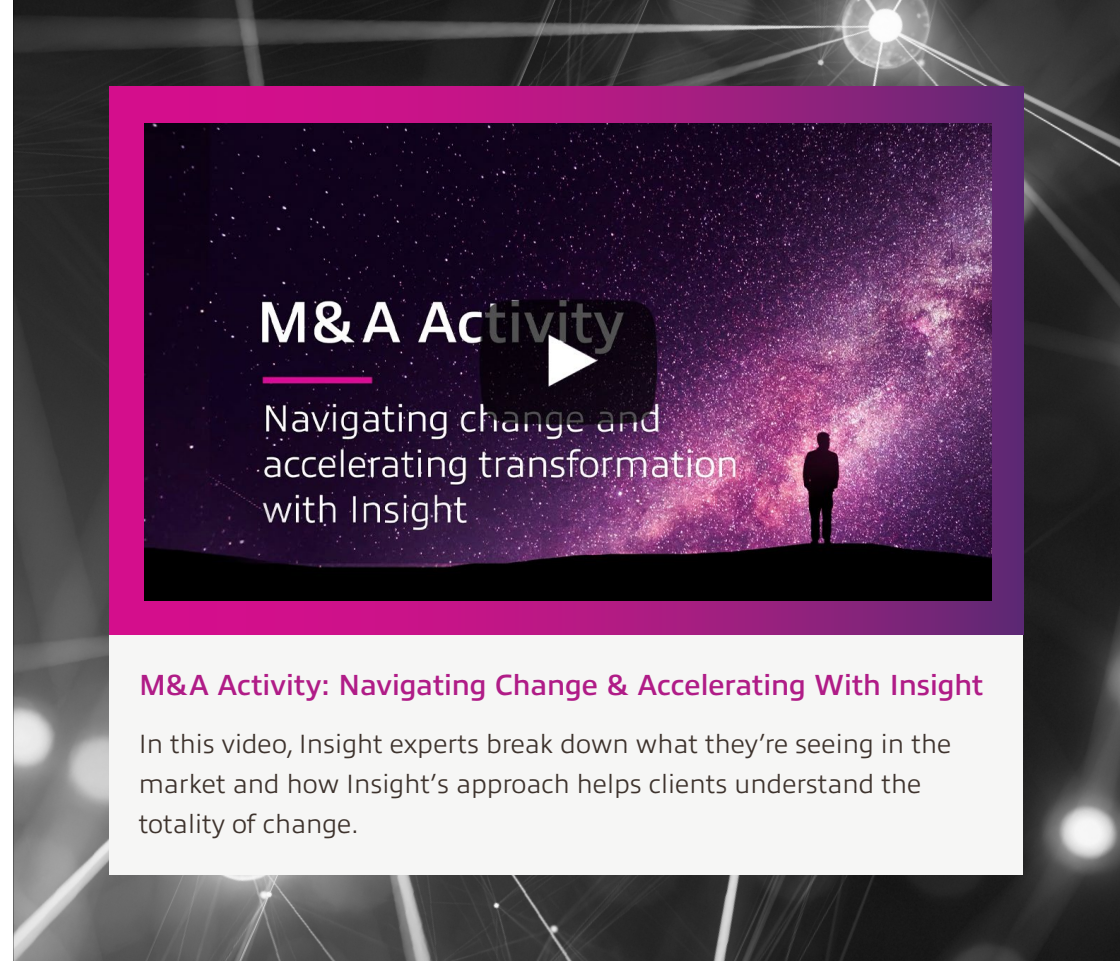
TAKING THE RIGHT STEPS:

Finding solutions

It's important to respond quickly and skillfully during M&As and divestitures. And while major events can cause disruptions that impact multiple lines of business, leveraging sound methodologies and enterprise integration frameworks can ensure a successful transition.

Insight brings decades of experience helping clients navigate pivotal business events. When organizations lean on Insight, they can expect strategic guidance across:

- Mapping, prioritizing and consolidating domains, endpoints and tenants
- Modernizing legacy infrastructure and workflows
- Migrating workloads, applications and data
- Securing and protecting data across environments
- Managing resources, teams, performance and utilization



M&A Activity: Navigating Change & Accelerating With Insight

In this video, Insight experts break down what they're seeing in the market and how Insight's approach helps clients understand the totality of change.

Our approach

Define the framework.



Strategy
definition



Assess
& design



Security
& access



Governance
& operations



Landing zones
& DevOps



Migrate &
modernize



Manage
& optimize

Implement the framework.



About Insight

Insight Enterprises, Inc., is a Fortune 500 Solutions Integrator with 13,000 teammates worldwide helping organizations accelerate their digital journey to modernize their business and maximize the value of technology. We enable secure, end-to-end transformation and meet the needs of our clients through a comprehensive portfolio of solutions, far-reaching partnerships and 35 years of broad IT expertise. Rated as a Forbes World's Best Employer and certified as a Great Place to Work, we amplify our solutions and services with global scale, local expertise and a world-class eCommerce experience, realizing the digital ambitions of our clients at every opportunity.

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